

**Texas Department of Insurance, Division of Workers' Compensation**

Medical Fee Dispute Resolution, MS-48

7551 Metro Center Drive, Suite 100 • Austin, Texas 78744-1609

**MEDICAL FEE DISPUTE RESOLUTION FINDINGS AND DECISION****PART I: GENERAL INFORMATION**

Requestor's Name and Address:  HERITAGE PARK SURGERY CENTER 3603 CALAIS DR. SHERMAN, TX 75090	MFDR Tracking #: M4-09-8459-01
Respondent Name and Box #:  TRAVELERS CASUALTY INS.CO OF AMERICA Rep Box # 05	

**PART II: REQUESTOR'S POSITION SUMMARY AND PRINCIPAL DOCUMENTATION**

Requestor's Position Summary: "I am in dispute of the final decision after review of the reconsideration for no allowance or reimbursement on either code and for one code being considered integral to primary procedure.

Our billed codes are payable codes for Ambulatory Surgery Centers. Also, the code 29875 is not integral to the primary procedure and we billed as such with the added modifier.

These procedures were performed; as was previously determined, to be of medical necessity."

Principal Documentation:

1. DWC 60 package
2. Total amount sought - \$2,487.78
3. CMS 1500
4. EOB's
5. Operative Report

**PART III: RESPONDENT'S POSITION SUMMARY AND PRINCIPAL DOCUMENTATION**

Respondent's Position Summary: "... The Provider performed CPT codes 29881 and 29875. The Provider submitted billing to the Carrier for these services. In review of the billed services, the Carrier determined that reimbursement was not due for CPT code 29881 as it was not on the 2008 list of approved ASC procedures in the Medicare data. Consequently, no reimbursement was allowed. Additionally according to the CCI edits, CPT code 29875 is included in CPT code 29881 when performed during the same surgical procedure. Consequently, no reimbursement was allowed for CPT code 29875 under the CCI edit. Consequently, the Provider is not entitled to reimbursement for either procedure code under these circumstances per the Medicare data and CCI edits."

Principal Documentation:

1. DWC 60 package

**PART IV: SUMMARY OF FINDINGS**

Eligible Dates of Service (DOS)	CPT Codes and Calculations	Denial Codes	Part V Reference	Amount Ordered
11/21/08	29881-SG-RT	B7, W4	1-5	\$1,658.32
11/21/08	29875-SG-59	97, W4	1-4, 6	\$0.00
Total /Due:				\$1,658.32

## PART V: REVIEW OF SUMMARY, METHODOLOGY AND EXPLANATION

Texas Labor Code Section 413.011(a-d), titled *Reimbursement Policies and Guidelines*, and Division Rule §134.402, titled *Ambulatory Surgical Center Fee Guideline*, effective 08/31/08, set out the reimbursement guidelines.

1. The disputed services were denied or reduced reimbursement based upon:
  - B7-The provider was not certified/eligible to be paid for this procedure/service on this date of service. Payment is denied. No ASC Group is associated with this procedure;
  - 97-Payment is included in the allowance for another service/procedure. Included in global reimbursement. This procedure is considered integral to the primary procedure billed; and
  - W4-No additional reimbursement allowed after review of appeal/reconsideration. After carefully reviewing the resubmitted invoice, additional reimbursement is not justified.”
2. According to the Texas Department of State Health Services Regulatory Licensing Unit, the Requestor is a licensed Ambulatory Surgical Center since 9/1/05. Therefore, the insurance carrier’s denial based upon “B7” is not supported.
3. The 11/21/08 operative report indicates the claimant underwent the following:
  - “Right knee diagnostic arthroscopy;
  - Partial medial meniscectomy;
  - Chondroplasty of the patella, trochlea and medial femoral condyle; and
  - Partial synovectomy of the knee.”
4. Per Medicare Surgery Ground Rules, “**Same Endoscopic Family** When two or more endoscopies are billed that are both in the same endoscopic family, Medicare prices the highest allowed procedure at 100 percent of the fee amount. The other procedures are priced by subtracting the fee amount of the basic endoscopy from their fee amounts.” The Requestor billed CPT codes 29875 and 29881 that are in the same endoscopic family of CPT code 29870. The 2008 fully implemented payment for 29870 is \$1,191.53. Both CPT codes, 29875 and 29881, have the same fee amount per the Addendum AA ASC Surgical Procedure for CY 2008 of \$1,191.53; therefore, the adjustment in reimbursement is applicable to either code. The Division will apply the adjustment to CPT code 29875.
5. The Respondent incorrectly noted in their position statement that CPT code 29881 is not on the 2008 list of approved ASC procedures in the Medicare data. Per Rule 134.402(f) reimbursement for non-device intensive procedure, CPT code 29881-RT-SG is:

The national reimbursement is found in the Addendum AA ASC Covered Surgical Procedures for CY 2008 = \$1,191.53.  
The national reimbursement is divided by 2 = \$595.77.

This number X City Conversion Factor/CMS Wage Index for Sherman  $\$595.77 \times 0.8320 = \$495.68$ .

The geographical adjusted ASC rate is obtained by adding half of the national reimbursement and wage adjusted half of the national reimbursement  $\$595.77 + \$495.68 = \$1,095.41$ .

Multiply the geographical adjusted ASC reimbursement by the DWC payment adjustment  $\$1,095.41 \times 235\% = \$2,564.91$ .

Therefore, the MAR for CPT code 29881-RT-SG is \$2,564.91. The insurance carrier paid \$0.00. The difference between the MAR and paid is \$2,564.91. The Requestor is seeking a lesser amount of \$1,658.32; this amount is recommended for reimbursement.

6. Per Rule 134.402(f) reimbursement for non-device intensive procedure, CPT code 29875-SG-59 is:

The national reimbursement is found in the Addendum AA ASC Covered Surgical Procedures for CY 2008 = \$1,191.53 minus \$1,191.53 the same endoscopic family base value of 29870 is \$00.00. Based upon Medicare Surgery Ground Rules regarding endoscopic families, the reimbursement for the second procedure is \$0.00.

**PART VI: GENERAL PAYMENT POLICIES/REFERENCES**

Texas Labor Code §413.011(a-d), §413.031 and §413.0311  
28 Texas Administrative Code §134.1  
28 Texas Administrative Code §134.402 effective 08/31/08

**PART VII: DIVISION ORDER**

Based upon the documentation submitted by the parties and in accordance with the provisions of Texas Labor Code Section 413.031, the Division has determined that the Requestor is entitled to reimbursement. The Division hereby **ORDERS** the Carrier to remit to the Requestor the amount of **\$1,658.32** plus applicable accrued interest per Division Rule §134.130, due within 30 days of receipt of this Order.

**ORDER:**

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Medical Fee Dispute Resolution Officer

August 10, 2009  
\_\_\_\_\_  
Date

**PART VIII: YOUR RIGHT TO REQUEST AN APPEAL**

Either party to this medical fee dispute has a right to request an appeal. A request for hearing must be in writing and it must be received by the DWC Chief Clerk of Proceedings within **20** (twenty) days of your receipt of this decision. A request for hearing should be sent to: Chief Clerk of Proceedings, Texas Department of Insurance, Division of Workers Compensation, P.O. Box 17787, Austin, Texas, 78744. **Please include a copy of the Medical Fee Dispute Resolution Findings and Decision** together with other required information specified in Division Rule 148.3(c).

Under Texas Labor Code Section 413.0311, your appeal will be handled by a Division hearing under Title 28 Texas Administrative Code Chapter 142 Rules if the total amount sought does not exceed \$2,000. If the total amount sought exceeds \$2,000, a hearing will be conducted by the State Office of Administrative Hearings under Texas Labor Code Section 413.031.

**Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 512-804-4812.**